



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

October 16, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 October 16, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

AMENDMENT 1 TO OPERATING FOOD AND VENDING MACHINE SERVICES AT THE DEPARTMENT OF PUBLIC WORKS HEADQUARTERS (SUPERVISORIAL DISTRICT 5) (3 VOTES)

SUBJECT

This action is to amend the contract for Operating Food and Vending Machine Services at the Department of Public Works Headquarters located in the City of Alhambra to standardize the monthly payment to the County for cafeteria operations.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve amending Contract No. 003018 with California Dining Services for Operating Food and Vending Machine Services at the Department of Public Works Headquarters to replace the monthly compensation payment of 5 percent of gross revenues to the County with a mandatory monthly payment of \$500 to the County for cafeteria operations effective upon the Board's approval.
2. Authorize the Director of Public Works or her designee to execute the amendment upon proper execution by the contractor and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to amend Contract No. 003018 with California Dining Services for Operating Food and Vending Machine Services at the Department of Public Works Headquarters to replace the monthly compensation payment of 5 percent of gross revenues with a mandatory monthly payment of \$500. This will alleviate the need for Public Works to perform

additional contract monitoring needed for auditing of the contractor's gross receipts, which is not cost-effective to the County for this contract.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), Fiscal Sustainability (Goal 2), and Integrated Services Delivery (Goal 3). This amendment will support Public Works in meeting these goals.

FISCAL IMPACT/FINANCING

There is no cost to the County. Under the terms of the amendment, the contractor will pay the County \$500 monthly (for an annual amount of \$6,000) for cafeteria operations and will continue to pay 10 percent of its monthly gross receipts derived from vending machine sales. Revenue will be deposited in the Fiscal Year 2012-13 Internal Service Fund Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 20, 2011, Agenda Item 24, the Board approved Contract No. 003018 with California Dining Services located in Irvine, California, for Operating Food and Vending Machine Services at Public Works Headquarters, with a monthly payment to the County of \$500 (for an annual amount of \$6,000) or 5 percent of its monthly gross receipts derived from the operation of the cafeteria, whichever is greater, and 10 percent of its monthly gross receipts derived from vending machine sales. The alternative fee of 5 percent of the gross monthly receipts from cafeteria operations has resulted in the need for contract monitoring and auditing by Public Works, which has not been cost-effective. The audit indicated that 5 percent of the gross receipts average approximately \$1,190 monthly or \$690 more than the minimum monthly fee provided for in the contract. With auditing, this alternative payment amount has not been cost-effective to Public Works. The contract was for an initial one-year period with four 1-year renewal options and a month-to-month extension up to six months for a maximum potential total contract term of 66 months. The contract is currently in its initial one-year period. All terms, conditions, requirements, prices, and specifications of the contract will remain unchanged.

The amendment, which is substantially reflected in the enclosed form, will continue the contract's current terms, specifications, and conditions. The Director of Public Works or her designee will execute the amendment in accordance with the Board's authorization and only upon proper execution by the contractor and approval as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended action is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) of CEQA. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the amendment will continue the current contract services.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Administrative Services Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER
Director

GF:GZ:cg

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Internal Services Department, Contracts Division
(w/o enc.)

AMENDMENT 1 TO CONTRACT NO. 003018

OPERATING FOOD AND VENDING MACHINE SERVICES AT THE
DEPARTMENT OF PUBLIC WORKS HEADQUARTERS

THIS AMENDMENT, made and entered into this ____ day of _____, 2012, by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California, a body corporate and politic (hereinafter referred to as COUNTY) and CALIFORNIA DINING SERVICES, a California Corporation (hereinafter referred to as CONTRACTOR).

WITNESSETH

WHEREAS, Contract No. 003018 was entered into between the COUNTY and the CONTRACTOR, on September 29, 2011, to provide Operating Food and Vending Machine Services at the Department of Public Works Headquarters commencing on October 7, 2011, for a period of one year with four 1-year renewal options; and

WHEREAS, the COUNTY desires to replace the monthly compensation payment of 5 percent of gross revenues to COUNTY with a mandatory monthly payment of \$500 to COUNTY for cafeteria operations under this Contract; and

WHEREAS, the CONTRACTOR is willing to provide these services under the Contract's existing terms and conditions as amended by this AMENDMENT.

NOW, THEREFORE, in consideration of these facts and payment to be made by the COUNTY, the COUNTY and the CONTRACTOR agree that Contract No. 003018 shall be amended as follows:

FIRST: The Fourth paragraph of the Agreement is deleted in its entirety and replaced with the following:

The CONTRACTOR shall operate its Services at the Premises on a revenue generating basis for Public Works. Within 30 days of the end of each calendar month, the CONTRACTOR shall deliver to the Contract Manager a CONTRACTOR payment, as provided in Form PW-2.1, Monetary Compensation and Vending Machine Revenue (Attachment 1), of \$500 (for an annual amount of \$6,000) for cafeteria operations. The CONTRACTOR shall submit payments to:

County of Los Angeles Department of Public Works
Attention Cashiers Office
900 South Fremont Avenue
Alhambra, CA 91803-1331

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SECOND: The Fifth paragraph of the Agreement is deleted in its entirety and replaced with the following:

The CONTRACTOR shall self-operate or utilize FIRST CLASS VENDING MACHINE, INC., as a Subcontractor to operate its Vending Machine Service for Public Works. Any change to Subcontractor shall be preapproved by the Contract Manager. Prices of Products sold through the CONTRACTOR or Subcontractor's vending machines shall be determined by mutual consent between the CONTRACTOR, the Subcontractor, and Public Works. For the privilege of selling Products on the Premises, the CONTRACTOR shall pay 10 percent as listed on Form PW-2.1, Monetary Compensation and Vending Machine Revenue, commission on monthly gross receipts derived from the operation of Vending Machine Services to Public Works within a 30-day period after the end of each accounting period. Both commission payments and monthly vending statements shall be sent to the Contract Manager. The CONTRACTOR shall submit payments to:

County of Los Angeles Department of Public Works
Attention Cashiers Office
900 South Fremont Avenue
Alhambra, CA 91803-133

THIRD: This AMENDMENT will take effect upon Board approval.

FOURTH: Except as modified by this AMENDMENT, all other terms, conditions, requirements, and specifications of this Contract shall remain in full force and effect.

[illegible]

IN WITNESS WHEREOF, the COUNTY has, by order of its Board of Supervisors, caused these presents to be subscribed by the Director of Public Works, and the CONTRACTOR has subscribed its name by and through its duly authorized officers, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By _____
Deputy

CALIFORNIA DINING SERVICES

By _____
Its President

Type or Print Name

By _____
Its Secretary

Type or Print Name

**MONETARY COMPENSATION AND VENDING MACHINE REVENUE FOR
OPERATING FOOD AND VENDING MACHINE SERVICES AT
THE DEPARTMENT OF PUBLIC WORKS HEADQUARTERS**

To be completed and submitted by Proposer:

Cafeteria Services Commission Percentage

Contractor agrees to pay Public Works a monthly commission payment of \$500.00 (for an annual amount of \$6,000.00).

Vending Machine Services Commission Percentage

Contractor agrees to pay Public Works a monthly commission percentage of 10 (%) (Mandatory minimum of ten percent (10%)), of its Gross Vending Receipts derived from the operation of its Vending Machine Services.

The Proposer agrees to pay Public Works as indicated above.

LEGAL NAME OF PROPOSER CALIFORNIA DINING SERVICES		
SIGNATURE OF PERSON AUTHORIZED TO SUBMIT PROPOSAL Ted Swartz		
TITLE OF AUTHORIZED PERSON President		
DATE 9/8/12	STATE CONTRACTOR'S LICENSE NUMBER	LICENSE TYPE GC
PROPOSER'S ADDRESS: 2070 Business Center Dr. #255 Irvine, CA 92612		
PHONE 949-476-8660	FACSIMILE 949-476-8917	E-MAIL CALDINING

**California DINING
Services . com**